

FISCAL NOTE

Bill #: SB0280 **Title:** Limit remedial classes to certain MUS units
Primary Sponsor: Butcher, E **Status:** As Introduced

Sponsor signature	Date	Chuck Swysgood, Budget Director	Date
-------------------	------	---------------------------------	------

Fiscal Summary

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
Expenditures:		
General Fund	\$0	\$117,113
Revenue:		
General Fund	\$0	\$0
Net Impact on General Fund Balance:	\$0	(\$117,113)

- | | |
|---|---|
| <input type="checkbox"/> Significant Local Gov. Impact
<input type="checkbox"/> Included in the Executive Budget
<input type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Technical Concerns
<input type="checkbox"/> Significant Long-Term Impacts
<input type="checkbox"/> Needs to be included in HB 2 |
|---|---|

Fiscal Analysis

ASSUMPTIONS:

Montana University System (MUS)

1. This bill would restrict the offering of remedial courses only to the MUS Colleges of Technology.
2. This restriction is not anticipated to significantly impact the number of students enrolling in remedial courses.
3. Current MUS Registrar reporting guidelines specify that classes numbered below 100 (*remedial*) may be counted by the Colleges of Technology (COT) and by four-year campuses, which do not have an associate College of Technology since these campuses provide two-year degree programs. The Great Falls COT serves remedial education at MSU-Bozeman.
4. The bill would deny approximately 150 students per semester at MSU-Northern and UM-Western access to needed remediation.

Office of Public Instruction (OPI)

1. On average, state monies fund 61% of the high school per-ANB entitlement, or \$3,123 (61% of \$5,205). The bill allows an enrollment count of one-fourth pupil for up to four courses in each semester.
2. If 150 students were denied admission to the MUS for academic reasons, and opted to return to a public high school to take courses necessary to achieve admission, the state will spend an additional \$117,113 for K-12 BASE aid beginning in FY2005. ((150 (students) * ¼ (ANB calculation) * \$3,123= \$117,113))

Fiscal Note Request SB0280, As Introduced

(continued)

3. As school district general fund budgets increase, increased staff will lead to higher district retirement costs. District retirement costs are charged to the county retirement levies and state retirement GTB costs. Because the increases contained in this bill are small relative to school budgets, the increases in retirement costs are assumed to be insignificant.

FISCAL IMPACT:

	<u>FY 2004 Difference</u>	<u>FY 2005 Difference</u>
<u>Expenditures:</u>		
Grants	\$0	\$117,113
<u>Funding of Expenditures:</u>		
General Fund (01)	\$0	\$117,113
<u>Revenues:</u>		
General Fund (01)	\$0	\$0
<u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u>		
General Fund (01)	\$0	(\$117,113)

LONG-RANGE IMPACTS:

OPI

With additional students being educated each year, districts will have higher BASE and maximum budgets. The BASE budgets of districts will increase by 80% of the per-ANB entitlement or approximately \$4,164 per student. The district taxpayer cost for the additional BASE budget for this would average \$1,041 per student that is included in the district ANB count. Districts may choose to spend more in the above BASE area of the budget. If the higher level of spending requires a tax increase, the voters of the district must approve the tax increase

TECHNICAL NOTES:

MUS

This bill appears unconstitutional since it determines the types of courses that can be offered for specific campuses. Section 9 (2)(a) of the Montana Constitution states "The government and control of the Montana university system is vested in a board of regents of higher education which shall have full power, responsibility, and authority to supervise, coordinate, manage and control the Montana university system and shall supervise and coordinate other public educational institutions assigned by law."